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Worked for CIA, Joseph trial witness says

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Robert Speetles of Devon, key witness for the federal government in its bribery case against Joseph Joseph, Lehigh County clerk of courts, testified yesterday he was a CIA operative before engaging in the bail bond business in 1976.

He said he did investigative work on his many private business trips to South America and Central America during 1962-70, including visits to Panama.

Speetles underwent his second full day of direct or cross-examination in the jury trial before Judge E. Mac Troutman of U.S. District Court for Eastern Pennsylvania.

The trial in Reading began Wednesday morning. Speetles is expected to take the stand Monday for more cross-examination by Atty. Howard Stark, Joseph's lawyer.

Speetles, who testified earlier he is a college graduate with a degree in economics and a certified public accountant, has been the only witness to date. The trial is expected to last most of next week.

The witness, who was a surety agent in the bail bond business in Allentown 1976-80, has pleaded guilty to one count of mail fraud in a deal with federal prosecutors and is awaiting sentencing.

He has accused Joseph of taking \$2,300 in bribes in three bail cases plus other funds as 1 percent of bail bonds written by Speetles for "referral" bail business by Joseph and for Joseph's engineering release of Lehigh jail inmates "without proper paperwork."

Speetles has admitted on the witness stand to numerous cases of defrauding his two insurance company principals by understating bail amounts he transacted to lessen the amount of premiums he would have to forward to the companies.

Stark yesterday went through a list of literally dozens of such cases in which Speetles confessed each time to understating bail by hundreds and sometimes thousands of dollars.

In an amusing occurrence, Stark got Speetles to admit that Speetles had written the word "scam" on some of the papers in which he defrauded his principals.

In earlier questioning Speetles had defined "scam" for Stark as "when you beat someone out of some money."

In another series of questions and answers, Speetles admitted to filing false confession of judgment papers dated April 1, 1978, in the Lehigh County prothonotary's office, indicating he owed King Carey \$20,000. Speetles said he "never borrowed a nickel" from Carey and the paperwork was an "exercise" for Carey's benefit.

Stark suggested the \$20,000 judgment papers filed by Speetles could have been an effort "to avoid creditors," but Speetles denied the charge. He said he was showing Carey how it's done.

The witness said the filing of such false papers is done in the real estate business in the Philadelphia area all the time and "some professionals will do it for a fee."

Carey has worked in the bail bond business in Allentown the last 7-10 years, was associated with Speetles in A-Bonding Co. and later with Speetles' competitor, James Makoul of A-B-C Bonding Co., which began business in 1979.

Carey has a criminal conviction for a prostitution-related offense and has been barred from entering Lehigh County Prison to conduct bail bond business.

Speetles last operated A-Bonding at 519 Linden St., Allentown. Makoul's office is at 461 Linden St., the former site of Speetles' office.

Under cross-examination yesterday, Speetles claimed he lost his cash receipts records for all bail business he did before 1980. He said he doesn't know how the records got lost or where they are but it happened when he got them back after he filed income tax returns for those years through a Philadelphia-based CPA.

Speetles confessed his cash and assets were in his wife's name. She has been arthritic for six years and has worsened the last two or three years, he said, to the degree that she has difficulty even writing checks.

The witness said even the bank account for A-Bonding was in the name of his wife Mary.

He said there was one "small checking account" in an Allentown bank in his name which he used for out-of-pocket expenses.

He said he filed his own income tax returns in 1980 because he didn't make much money that year.

Speetles conceded that he did not mention Joseph's name to the FBI until after several interviews with federal agents in late 1979 and early 1980 when it was apparent they

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"had him" for mail fraud based on official records he sent indicating false data to his insurance companies in defrauding them of premiums.

He insisted the money he gave Joseph was bribes and not tips or gratuities, as characterized by his other bail bond business associates, who may have paid district justices a 1 percent share of their bail bond fee. Speetles denied the 1 percent he gave Joseph was payment for gas or for inconveniencing Joseph to perform work for him at night and on weekends.

He admitted he may have loaned Joseph small amounts, but he denied the payments in question were loans.

Speetles testified he worked for Cayuga Federal Savings & Loan Association, 13th and Sansom streets, Philadelphia, for 20 years and eventually became president in 1965-66. He was fired in mid-1970 by the board of directors in what he said was "a traumatic experience" for him. Stark was not permitted to query him as to why he was fired after conferring earlier with the judge and Asst. U.S. Attys. Daniel Huyett and John Riley.

The witness said he went to Spain after that, came back and worked as a mortgages expert for Equitable Life Assurance Society for a year but quit because of boredom and a bad money market.

He bought into a gas station and car wash business in Cornwells Heights, Bucks County. The firm was Bobcat, Inc., but had other names, he said. An associate, he said, was Herbert Levine, brother of Melvin Levine, former Allentown bail bondsman who testified before the Pennsylvania Crime Commission during its statewide probe of bail bonds in 1975-76.

The gas station eventually burned down and, Speetles said, he "took a terrible loss" because the business, which sold as much as 200,000 gallons a month, "was grossly underinsured." He said: "Banks got my collateral, and I took a bath."

He said he was at least a 50 percent owner in the gas station business, which was hurt by the oil embargo in the mid-1970s.

Speetles said in 1976 he went into the bail bond business "like a fool," not knowing of the Crime Commission probe until he put up \$3,000 to buy out Levine.